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# I'm Not Rockefeller: Implications for Major Foundations Seeking to Engage Ultra-High-Net-Worth Donors

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*Keywords:* next generation philanthropy; family foundations; strategic philanthropy; high impact philanthropy; effective philanthropy; collaborations; high-net-worth individuals; social impact

## Key Points

- This article describes how a group of 33 ultra-high-net-worth philanthropists (UHNWPs) approach their giving.
- A few key areas dominated their giving priorities: education; health; poverty and social welfare; and children/youth initiatives each were a priority for more than a quarter of participants – with education expressed as an interest of 55 percent.
- A third of the 24 who responded to the question spent less than 10 percent of their full working time devoted to philanthropy, and 13 dedicated less than 20 percent of their working time.
- UHNWPs view their peers as their most trusted information resource. After peers, the most commonly cited source of information was the popular press.
- UHNWPs typically are ambivalent or uncertain about the value of evaluation.
- Partnerships between organized philanthropy and UHNWPs has potential benefits for both, if barriers of job responsibilities, training, communication styles and vocabulary can be overcome.

## Background

The motivations and practices of individual high-net-worth philanthropists have long been a central concern to many nonprofit executive directors and fundraisers. As more large charitable foundations seek to engage individual philanthropists – or are sought out by individual philanthropists who wish to leverage these major foundations' resources and knowledge – the question of how this segment of donors approaches

its giving has become increasingly important to foundation leaders as well. This article begins by looking at how a group of 33 ultra-high-net-worth philanthropists (UHNWPs) approach their giving. It then explores the implications of their approaches for large foundations seeking to engage such individual donors. For foundations, a deeper understanding of this group of donors could lead to new and more productive collaborative relationships, enhancing the potential to increase the amount, effectiveness, and efficiency of funding.

Individual high-net-worth and ultra-high-net-worth philanthropists play a disproportionately influential role in the philanthropic sector. Individual high-net-worth philanthropists are the primary source of philanthropic capital for the nonprofit/philanthropic sector. Historically, gifts from foundations have accounted for less than 10 percent of total giving (Barrett, 2010). By comparison, individual donors account for nearly 80 percent of total giving<sup>1</sup> (Giving USA, 2010). Among individual donors, high-net-worth individual households (typically defined as families with a net worth of \$1 million or more), represent a disproportionate share of philanthropic capital. Although they represent only 7 percent of all households nationwide, they account for half of all charitable donations (Shervish, O'Herlihy, & Havens, 2006). Furthermore, the top 1 percent of high-net-worth individuals, or those with at

<sup>1</sup> These averages were calculated based on the percentages of the total by five-year spans from 1969 to 2008.

least \$30 million in financial assets, gives an even greater percentage of their wealth: 10 percent of these ultra-high-net-worth individuals' wealth goes to philanthropy, versus 7 percent for all high-net-worth donors (Merrill Lynch & Capgemini, 2007).

Despite individual high-net-worth philanthropists' importance as a funding segment, we found relatively few studies that explore the way these donors think about and engage in philanthropy. Previous studies have shown that, by and large, philanthropists would like to use their resources to make the world a better place. However, according to the research, these donors do not primarily base their investment decisions on potential for social impact; rather, they use issue areas, peer information, religion, and other factors to inform their philanthropic choices (Hope Consulting, 2010; Rooney & Frederick, 2007; New Philanthropy Capital, Wise, Bertelsmann Stiftung, & Scorpio Partnership, 2007).

The Center for High Impact Philanthropy's 2008 analysis, *I'm Not Rockefeller: 33 High Net Worth Philanthropists Discuss Their Approach to Giving* (Noonan & Rosqueta, 2008), contributes to the relatively underrepresented body of literature on the motivations and practices of the wealthiest philanthropists. The study was unusual, but not unique, in its methodology, which involved conducting interviews directly with the individual, ultra-high-net-worth donors themselves. Donors' agents (e.g., advisors or foundation executive directors) were not present during the interviews.

The study helps to close the research gap in the philanthropic landscape in two distinct ways. First, it highlights a larger and more diverse sample demographic. Previous studies have focused on niche subsets of the high-net-worth population, either by geography or by sources of wealth. For example, Francie Ostower's *Why the Wealthy Give: The Culture of Elite Philanthropy* (1995) interviews donors who live and work in the New York area, and Paul Schervish studies 28 high-tech wealth holders (Schervish, O'Herlihy, & Havens, 2001). What makes the center's sample population even more unique is that it draws from the wealthiest segment of high-net-worth

individuals – the ultra-high-net-worth population. The 33 people interviewed had each been identified by intermediaries as individuals with a giving capacity of more than \$1 million annually. In other words, this study focused on the donor segment poised to make the largest financial contributions to the philanthropic sector.

The center initially launched its effort as qualitative consumer research, with the goal of informing its own work on developing guidance and decision-making tools to support high-impact giving.<sup>2</sup> Ultimately, the center decided to release its findings broadly to inform others, even though its research and analysis did not involve a statistically representative sample and therefore cannot be generalizable to all high-net-worth donors. Thus the term “ultra high net worth philanthropists” (UHNWPs) refers specifically to those included in the study, and not all UHNWPs.

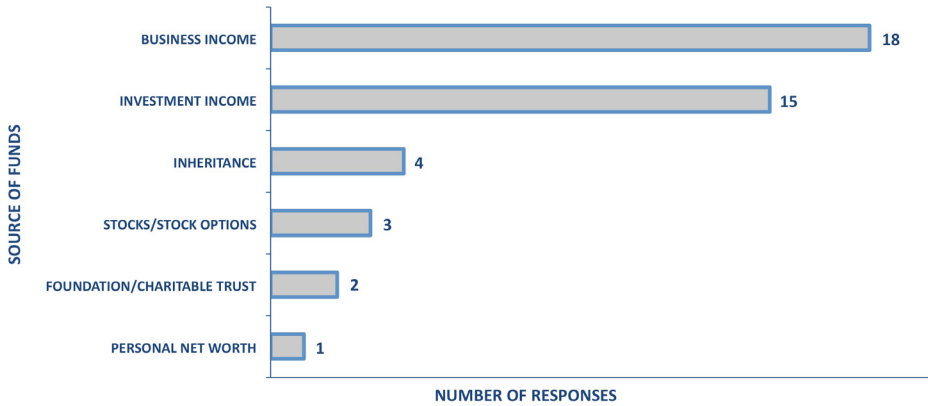
### Study Methodology

The center conducted semi-structured interviews with 33 ultra-high-net-worth individual philanthropists using a standardized interviewing protocol (see Appendix for interview questions). Each interview took approximately 45 minutes. Prior to each interview, interviewees gave verbal consent to participate as well as to an audio recording of the interview. Each participant was asked the same first question. Though interviewers attempted to cover all of the issue areas outlined in the interview protocol, the pace, tone, and sequence of subsequent questions could vary. The interview protocol and overall study design were approved by the University of Pennsylvania's internal review board and, accordingly, numerous steps were taken to ensure interviewee anonymity. Study participants were introduced to the project through multiple channels, including but not limited to wealth management professionals, philanthropic advisors, and members of the University of Pennsylvania community (e.g., researchers, board of overseers).

The interview questions were categorized into five broad topics: decision criteria in choos-

<sup>2</sup> The center defines high-impact giving as the practice of seeking the greatest social impact given the philanthropic funds deployed.

FIGURE 1 Sources of Fund for Personal Giving [N>33\*]



\*Respondents could identify more than one source

ing and making gifts; knowledge and resources; desired outcomes; role as philanthropists; and demographic questions. Each interview was transcribed and data was initially coded according to the five major themes. Transcripts were tagged using Atlas.ti software to indicate where themes arose and to facilitate later retrieval and indexing. All content associated with these broad themes was sorted and became the analysis’s sub-themes. The content was then tagged again with sub-theme codes.

**Participant Demographics**

Of the 33 individuals interviewed, 18 were men and 15 were women. They were between the ages of 37 to 74, with an average age of 54.

Eighteen out of 33 UHNWPs derived their charitable funds from earned income, although some also gave from inherited wealth (see Figure 1). Of the 31 respondents currently engaged in professional careers, 17 identified their industry as finance, with three participants each identifying as engaged in the technology, nonprofit, or medicine/pharma sectors. Manufacturing, government/law, and hospitality industries were also represented.

The center chose to define UHNWPs as donors capable of giving \$1 million annually. Respondents’ actual annual giving, however, ranged from \$100,000 to \$10 million, and three UHNWPs declined to identify the amount donated annually.

Nearly 50 percent of the UHNWPs that reported average annual giving gave more than \$1 million a year. While UHNWPs expressed a diverse range of philanthropic interests, a few key areas dominated their giving priorities (note: respondents could identify more than one interest). Education; health; poverty and social welfare; and children/youth initiatives each drew the interest of more than a quarter of participants, with education expressed as an interest of 55 percent of UHNWPs.

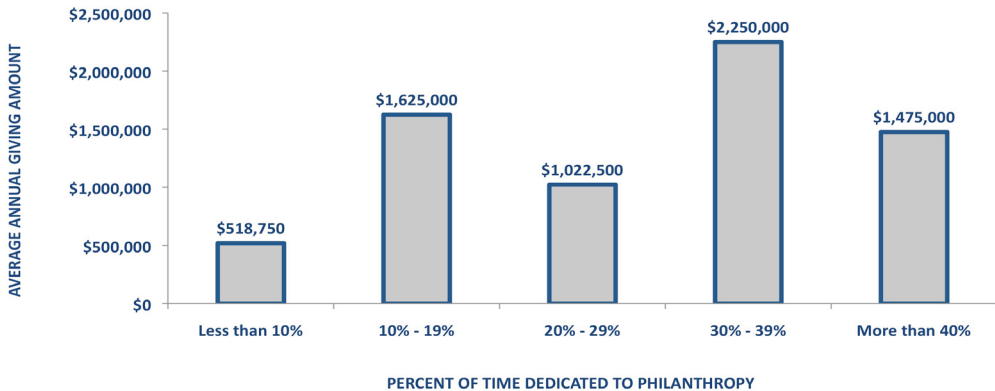
Of the 24 interviewees who responded to a question regarding the amount of working time spent on philanthropy, a third spent less than 10 percent of their full working time devoted to philanthropy, and 13 out of 24 respondents dedicated less than 20 percent of their working time (see Figure 2).

**Key Study Findings**

Four major themes emerged from the interviews, cutting across each of the five broad categories in which the UHNWPs were interviewed:

1. UHNWPs described a variety of roles and expressed varying degrees of comfort with being labeled a “philanthropist.”
2. UHNWPs view their peers as their most trusted information resource. After peers, the most commonly cited source of information was the popular press.

FIGURE 2 Time Dedicated to Philanthropy and Average Giving [N=23]



- UHNWPs are not tapping other potential sources of information. Nearly half identified a need for better information, and many expressed difficulty in making decisions based on the information currently available.
- UHNWP participants are ambivalent or confused about the utility of common approaches for assessing results.

### 1. Many Roles, But Not Rockefeller

Twenty-five out of 33 UHNWPs aspire to roles in philanthropy beyond that of funder. Many of these roles involved creating communities of practice. Among the comments are these:

We're very concerned about putting other people together because it's been so valuable to us. ... [I]t's about making sure we are facilitating the mission of other foundations, even though it's not directly in line with our work.

I would like to build a greater network of peers or at least philanthropically interested people ... but maybe with a more issue-specific orientation.

In addition to wanting a community of like-minded peers, UHNWPs also described wanting to be more than mere check-writers. They mentioned a desire to lend human capital as well as financial capital, noting possible roles such as "marketing consultant," "advocate and spokesperson," and "big awareness-raiser."

However, the primary factor that currently prevents UHNWPs from greater involvement beyond writing checks is family and work commitments. Since involvement is often, but not always, linked to giving, this presents a challenge to donors who have more money than time to give. "I can't be personally involved in everything I support," remarked one interviewee. "I don't want to be a mile wide and an inch deep."

One of the most surprising findings was that nine UHNWPs revealed they did not yet consider themselves philanthropists despite giving an average of almost \$1 million annually. Among the comments were these:

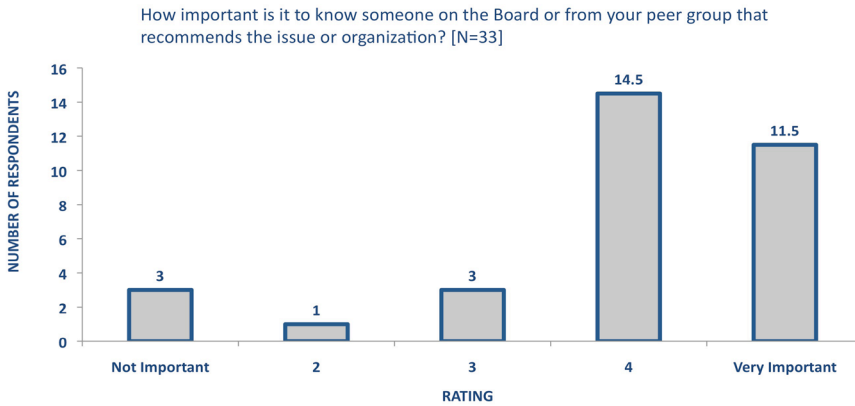
You know, I don't really consider myself a philanthropist because ... when I think of philanthropists, I think of Rockefeller and Carnegie and those guys, and I don't think I'm at that level. ... They're on a scale that's enormous.

The word "philanthropist" still cracks me up because it just sounds so hoity-toity. ... I'm not Rockefeller. So I don't use that word. I use "community volunteer."

The study authors hypothesize that at least some of this ambivalence of being labeled "philanthropist" comes from a lack of confidence that their approach is thoughtful or strategic enough to warrant the label:

In the past few years, the amount that we've been able to give has grown to an amount that will shortly

FIGURE 3 Peers Are the Most Trusted Resource for Information



[require us to give it] some thought rather than just handing [the money] out.

I think there is a lot of capital locked up right now because of exactly that problem – that people just don’t feel like they know how to evaluate [opportunities].

Between the poles of “lifelong philanthropist” and “don’t call me one yet,” UHNWP participants described philanthropic practices that evolved as their experience, time, and available resources grew. What they did early on in order to feel confident in their giving eventually gave way to new practices shaped by experience and learning:

It often changes as a donor becomes more sophisticated. At the beginning it’s usually very, very important [to be hands-on]. ... And then as one gets more involved and more sophisticated and partly also perhaps more confident about what they know and don’t know and the nature of the relationship with the organizations they fund – as those relationships become established it’s much easier to make a grant and you’ll go touch and feel it when you can, rather than it not happening until I do.

Overall, participants described evolving philanthropic practices, including changes in their thinking about donation decisions as well as the roles they play in the philanthropic community. While few UHNWPs reported that they had always thought of themselves as “philanthropists,” the majority considered it a role that they would

achieve at some point in their evolution as givers.

### 2. Peer Information

More than 80 percent of UHNWPs consider it of high importance to know a board member or to have a peer recommendation of the grantee (see Figure 3).

Participants were asked a series of open-ended questions about how they obtain information to inform their giving. These UHNWPs acknowledged that they obtain the majority of information from peer networks of friends, business associates, and, most importantly, other philanthropists:

I get information from friends and colleagues primarily.

[I]t may not be the correct approach, but I feel like I have enough people [in my network] at this phase, so I kind of get [my information] that way.

I know that they donate a lot and we get along really well. ... [T]hey’ve been doing this a lot longer than [I have].

However, despite seemingly well-established peer circles, several participants expressed an interest in additional opportunities to meet other like-minded donors: “I’m just starting to meet other people who do donating where I can ask them how they make their decisions,” responded one. “More of those conversations would be helpful.”



Surprisingly, few interview participants mentioned taking advantage of the existing donor resources around the country, such as affinity groups, peer giving vehicles, or philanthropic advisors. Overall, donor-to-donor exchanges seem to satisfy two interests of UHNWPs: providing an opportunity to exchange information with like-minded givers and providing a venue for donors to exchange ideas and ask questions without obligation in a more relaxed, fundraising-free zone. Not surprisingly, participants described an acute sense of charity inundation, such as receiving dozens of solicitations a week. This constant inflow of requests has some UHNWPs admitting they feel little to no need to seek out information because so much is sent to them by interested charities. Others manage the inundation by making a practice of never supporting an organization that solicits funds.

### 3. Limitations of Current Resources

After peer networks, the most frequently cited resource for philanthropic information among UHNWPs was the popular media, including *The New York Times*, *Wall Street Journal*, and several business monthlies. Twenty-one out of 33 participants said they did not use tools like Charity Navigator or Guidestar, and the 12 who did used them as an initial screen. While several UHNWPs have full-time foundation staff supporting their decisions, even those with staff did not routinely seek information on the areas in which they gave. Fifteen UHNWPs identified and discussed a need for better information, and expressed difficulty in making decisions based on the information currently available to them, especially because of the lack of objective and quantitative data. “It’s really hard for people – even for people who have been doing this for a long time,” said one. “If they don’t have staff doing serious number-crunching analytical work, there’s just not really serious data.”

Other factors may be discouraging UHNWPs from seeking out more knowledge about giving. Some interviewees expressed a reluctance to investigate for fear of inviting unwarranted solicitations or creating premature expectations on the part of potential recipients. Others suggested that the current packaging of information is not suited

for UHNWPs, or that UHNWPs perceive what is available as unhelpful:

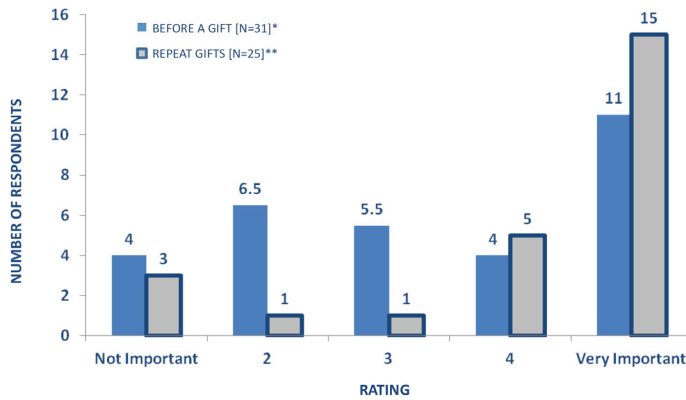
What I think would be really interesting [would be] some sort of resource ... where nonprofits would list specific expertise and resources they need and where people could look through that information without having to talk to people on the phone. I don’t mind talking to people, but that would allow me to choose two or three to follow up with so I don’t get on so many mailing lists and email lists and phone lists.

Before you create newsletters, white papers, etc., a list of key issues in a field and a list of key questions to ask about them would be a really useful tool. People are overwhelmed with data and where to find it, if they were so inclined to look, and time is limited; some very simple, straightforward tools would be really helpful.

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The failure of UHNWPs to seek out information means that, even where information exists, they might not access it. This failure can lead to inefficiencies in the philanthropic sector, such as philanthropists starting new nonprofits when perfectly good vehicles for their giving already exist, or philanthropists making funding decisions based solely on information they glean from their social capital, which may not be sufficient to achieve the goals they seek.

FIGURE 4 Importance of Impact Data



\* Two HNWP's were not asked or did not answer this question  
 \*\* Eight HNWP's were not asked or did not answer this question

4. Ambivalence or Confusion About Assessing Impact

On a scale of one to five, UHNWP participants rated the importance of impact data as high, both before a gift and when considering a repeat gift (see Figure 4). Yet despite the prevalent use of “administrative cost ratios” as a tool by which to assess nonprofits, many UHNWPs did not feel overhead cost was a useful decision criterion:

Somebody needs to pay for the overhead in order for them to provide their services, so why shouldn't it be us? And if we believe in the organization, why shouldn't we pay for the overhead?

I think people tend to put too many restrictions, especially on small gifts, and these organizations end up chasing their tails and doing way too much, when what they should be doing is just focusing on their core mission. And most of our funding is just general operating funds.

Eleven participants did pay attention to outcomes achieved per unit of investment: “I like getting everything down to a cost per effective unit of whatever it is you do,” said one participant. “If there is one thing that drives me crazy, it is dealing with nonprofits where I get BS numbers. Makes me nuts.”

However, UHNWPs have a difficult time identifying and tracking outcomes. In the interviews,

center researchers asked participants to describe the outcomes they seek in discretionary giving. Interviewees found it easy to describe the impact of gifts that supported discrete products, such as the development of a library or computer lab or funding a scholarship. Several stated that they intentionally give to projects that are time-limited and highly tangible so the impacts of their gifts are easy to observe. For less concrete gifts, such as giving to an afterschool program or supporting international women's economic development projects, outcomes were harder to determine.

The difficulty for UHNWPs did not appear to result from participants' lack of knowledge about what constitutes making a difference in particular giving areas. Rather, the difficulty seemed connected to some ambivalence or confusion on their part about whether and how to obtain such information. Ten of 19 participants said they did not want to burden nonprofits with additional feedback requirements, nor did they want to appear to be high-maintenance donors or imply a lack of trust or commitment by asking about outcomes. Said one: “I wouldn't ask them to have any sort of outside assessments done because outside assessments can cripple organizations and cripple them for time, resources and money.”

Discussion about outcomes prompted some participants to reiterate their decision criteria: When involvement with an organization was a prereq-



uisite for making a gift, any sense that outcomes were being met was based on their personal involvement and observations. Others felt that no evaluation was needed if proper due diligence was conducted pre-allocation. Among the comments were these:

Because I am involved with them, I'm aware of what they are doing, so it's not as though they need to send me a report.

I would say that if a philanthropist is giving a gift, they ought to know more about what they're doing before they do it, rather than stirring the pot once the gift has been given. ... So I don't know why a philanthropist would want to go ahead with an evaluation of a gift; that just doesn't seem right to me.

When asked whether they had ever funded an evaluation of their gifts or programs that their gifts supported, five UHNWPs responded that they had, while 25 responded that they had not. Responses were not collected from three participants. Among the 25 who did not fund evaluations, a negative opinion of current "evaluation" practices was common. Some based their comments on previous experiences with nonprofit evaluations:

Many times when the evaluations come back, you can't read them anyway.

[An] evaluation should be an executive summary. Yes, you need some numbers and data, but many of the evaluations are endless.

And if you get really, really clear on what that problem is you're trying to solve and [how] evaluation will help you solve it, that's great. But I would guess nine out of ten times, it's not that. It's so many things the executive director isn't doing well, and so they're going to do a big evaluation of them so they have an excuse to get rid of the executive director.

But despite negative opinions about current evaluation practices, 17 out of 25 UHNWPs said they would consider funding evaluation, if asked, and acknowledged they were rarely asked to do so.

### Implications for Foundations Seeking to Engage Ultra-High-Net-Worth Philanthropists

From our investigation into the motivations and current practices of UHNWPs, we reach the following conclusion: Foundations interested in informing, influencing, or co-investing with UHNWPs have to meet them where they are – both literally and figuratively. The UHNWPs who participated in the study cited their own peers as the single most trusted source of information. They also described seeking roles beyond being a check-writer and a broader community with which to engage. These findings suggest that one key to effective engagement of UHNWPs is an increased capacity on the part of foundations to participate in "peer like" interactions with this important segment.

*Major foundations tend to be staffed by subject-area experts who are often deeply knowledgeable and passionate about their full-time work. Many are facile in the field's jargon, intrigued by its complexities, adept at analyzing sector-specific data, and comfortable exchanging information and ideas with other similarly expert colleagues. In other words, such foundation staff members, much like UHNWPs, can spend a lot of time talking among themselves.*

Unfortunately, differences in networks, professional roles, education, and training can make such peer-like interactions difficult. Major foundations tend to be staffed by subject-area experts who are often deeply knowledgeable and passion-

ate about their full-time work. Many are facile in the field's jargon, intrigued by its complexities, adept at analyzing sector-specific data, and comfortable exchanging information and ideas with other similarly expert colleagues. In other words, such foundation staff members, much like UHNWPs, can spend a lot of time talking among themselves.

*Major foundations with professional staff are one of the most significant sources of information that could inform UHNWPs' decisions and increase their confidence as grantmakers.*

UHNWPs, unlike foundation staff, rarely pursue their philanthropy full-time. Many of the most generous donors amassed their wealth entrepreneurially, through successful businesses where the metrics of success are clearer, where communication is in the form of PowerPoint® bullets, and where there is a strong bias to take action.

These differences can prevent UHNWPs and organized philanthropy from effectively engaging with each other despite their shared interest in making a difference. One way to overcome this would be to sharpen foundation staff's skills in synthesizing information and communicating it to a lay audience, so that their deep experience and large body of knowledge translates into the kind of essential concepts and actionable insights that make it easier for a nonexpert to digest and take action.

Another strategy is to forge partnerships with the growing number of intermediary organizations working directly with UHNWPs. These include philanthropic advisors, wealth management professionals and estate planners, organized donor circles, and information intermediaries and venture funds. Such partnerships can then manage some of the translation burden.

Finally, the researchers noted that after their peers, UHNWPs relied on the mainstream media for much of their information. Foundations who are able to access the media and who have a robust capacity to inform public analysis of issues are likely to find themselves influencing the attitudes and giving choices of individual philanthropists, regardless of whether these UHNWPs co-invest with these foundations' grantmaking. Moreover, such foundations will find that UHNWPs who learn of the foundation's work through these channels will be much more open to working and learning with that foundation given the authority they ascribe to the media.

#### *Benefits to UHNWPs of Viewing Organized Philanthropy as Peers*

The best peer relationships are mutually beneficial. Understanding what UHNWPs and organized philanthropy bring to their shared goals is a first step in building such mutually beneficial relationships in the service of impact.

Many of the comments made by UHNWPs in this study revealed an appetite for clear and relevant information that could be readily applied to their own philanthropy. Nearly half are looking for tangible evidence regarding what their philanthropic dollars can accomplish in the near future. Some were timid about complex issues – not because they didn't seek impact in those areas, but because of the perceived difficulty in understanding what difference they could reasonably make and how. Despite interest in pursuing more ambitious agendas, these UHNWPs chose to invest in tangible and directly observable initiatives, such as lecture series or capital assets.

Major foundations with professional staff are one of the most significant sources of information that could inform UHNWPs' decisions and increase their confidence as grantmakers. Many foundations invest time and resources to evaluate their initiatives, draw lessons, and circulate reports about their work, often with a goal of influencing other philanthropies. Many major foundations are resource-rich in topic-area knowledge and networks, and have experience in taking on social issues on a larger scale. These foundations can

help demystify the art of organized philanthropy. For example, a foundation's willingness to share achievements in Year 1 compared to those in Year 5 during a complex education reform initiative could provide helpful and practical benchmarks for an UHNWP seeking to influence similar changes. Even better, sharing what mid-course corrections were made, what didn't work and why, and what passions fuel the people doing the work are all ways that organized philanthropy can inform the effectiveness of UHNWPs' efforts.

Unfortunately, much of what could be most valuable for UHNWPs has often been knowledge least readily shared by foundations. As discussed earlier, part of what is required is a capacity to translate such knowledge for use by others. Equally important is a commitment to the kind of transparency and accountability needed to transform information into insight.

#### *Benefits to Organized Philanthropy of Viewing UHNWPs as Peers*

One clear potential benefit of engaging UHNWP as peers is the additional capital they could bring to a foundation's grantmaking areas. Since 21 out of 33 UHNWPs expressed a desire to strengthen the local communities where they live and work, such local co-investors bring not only welcome incremental dollars to a foundation's work, but also a local commitment and presence that can be critical to sustaining results after a large foundation's commitments end.

However, viewing UHNWPs simply as co-investors misses other opportunities for organized philanthropy to benefit fully from these relationships.

UHNWPs' desire for tangible evidence can also reinforce the efforts of foundations already engaged in high-impact giving. UHNWPs who care about outcomes will be drawn to partnerships with organized philanthropy that articulate their assumptions and expectations, evaluate their work during implementation, make mid-course corrections, and publish results. Through UHNWP peer networks, the influence of foundations that work this way will expand, increasing

the pressure on the philanthropic community in general to engage in high-impact giving that is measurable and transparent.

*Organized philanthropy can benefit by absorbing some of the urgency to finding workable solutions that UHNWPs bring to their giving.*

There are at least two additional ways in which organized philanthropy can benefit from peer relationships with UHNWPs. The first is by absorbing some of the urgency to finding workable solutions that UHNWPs bring to their giving. Some of that urgency comes from an impatience for results that served them well in their professional lives. In other cases, it comes from the urgent desire of many living donors to see meaningful change within their lifetimes. While foundations themselves bring tremendous energy and creativity to the issues they target, UHNWPs can bring a new perspective to the table.

Finally, co-investment can go both ways. While many foundations see UHNWPs as potential investors in both the grantees and grantmaking strategies already identified by the foundation, UHNWPs could become an extremely useful network of "scouts" and "peer investors" serving as eyes and ears on the ground – a valuable role, particularly given the impact the recent economic recession has had on foundation staffing. Because of the position of most UHNWPs, they are privy to different experiences and networks than many foundation staff. UHNWPs can bring those experiences and knowledge to the major foundations, adding a richer perspective to the agendas of organized philanthropy.

#### **Conclusion**

Ultra-high-net-worth philanthropists and organized philanthropy represent a potentially powerful, yet often untapped, partnership for achieving social impact. Ultra-high-net-worth philanthropists could bring a disproportionate

share of private, donor capital to address the issues that large foundations target. They could bring local knowledge and networks to help large foundations identify promising opportunities, as well as the civic leadership and funding that would sustain a major foundation's impact after that foundation's funding commitments inevitably end. For their part, major foundations with full-time, professional staff can bring a depth of issue-area expertise, sector-specific approaches to understanding progress, and their own networks that could inform ultra-high-net-worth philanthropists' giving.

However, several barriers exist to forging such partnerships. Both parties have limited time, and differences in their professional responsibilities mean that their respective networks are unlikely to overlap. Even when ultra-high-net-worth philanthropists and the staff of large foundations do interact, differences in training, vocabulary, and communication styles can prevent each party

from identifying ways in which they could support each other's work.

For organized philanthropy, the findings from *I'm Not Rockefeller* offer both heartening and disquieting news. The good news is that these individual philanthropists represent potentially powerful peers whose interest in social impact, desire to play a role beyond check-writer, and apparent latent capital could bring important and needed resources to the efforts of major foundations to solve tough social problems. The bad news is that their diversity of interests and approaches, almost exclusive reliance on their own peers for information, ambivalent attitudes toward known evaluation practices, and frustration with available resources are barriers to those who wish to engage them. The payoff for engaging them, however, could be substantial – more energy, capital, and leadership focused on the social impact that both organized philanthropy and individual donors seek.

APPENDIX 1 Interview Questions

Objective of Study

Introductory script for interviewer

The Center for High Impact Philanthropy was established in the spring of 2006 by alumni of the Wharton School who were frustrated by the difficulty in understanding the impact of their charitable gifts. The Center aims to provide information to help philanthropists in their charitable decisionmaking. Our work focuses on three areas: global health and development; urban education; and disadvantaged populations in the U.S.

We are currently conducting a research study exploring high net-worth philanthropists' giftmaking. In the study, we are interviewing philanthropists to aid the Center in developing resources for more effective philanthropy. The interview questions seek to gain a better understanding of: (i) the criteria used by philanthropists in choosing and making gifts; (ii) the knowledge and resources currently used to support giving decisions (what is available now and what would be helpful in the future); (iii) the outcomes philanthropists seek when making gifts; and (iv) the roles philanthropists play in the sectors in which they give.

Your participation in this interview process is voluntary. All of the answers you provide during this interview will remain anonymous, and all results will be published in aggregate. Nothing you say will be attributed to you. You are free to decline to answer any questions we ask you for any reason or no reason. The interview should take about forty-five minutes. We are happy to provide you with a copy of the findings.

If it is all right by you, I'd like to record our conversation. If there's anything that you would like to say "off the record," just let me know and I'd be more than happy to turn off the recorder.

Do you have any questions? May I turn on the tape recorder?

### Decision Criteria in Choosing and Making Gifts

- We'd like to begin by learning a little about how and why you chose the areas in which you make gifts.
- Can you tell us the major areas in which you give?
- Why did you choose those areas (i.e., might also ask how they interpreted need in that area)? How do you usually find philanthropic opportunities in this area? For instance, do you start by identifying the issue or the NPO/NGO or program? Do you consider issues related to "value for money" in your giving? Why? Why not?
- Think about the gifts you haven't made (despite being asked). Would you tell us why you chose not to make the gift? Are there specific areas within the domains that you give, where you won't make gifts?
- Have you put any restrictions/conditions on your gifts (e.g., no gift if overhead/fundraising/operating costs too high)?
- Has the area in which you contribute changed since you first started giving? Why?
- Have you ever considered or made investments in research, advocacy or organizational capacity building? Why? Why not?

*On a scale of 1 to 5, 5 being very important and 1 being not important at all, how important is it for you to be able to touch/see/interact with the people and /or organizations you are giving to?*

### Knowledge and Resources

- Next, we'd like to talk to you about how you currently obtain information related to your giving, and what kind of information would be most helpful to you.
- Where do you get information related to your giving? With whom do you talk to about your giving? Describe your relationship to them/it.
- (If they don't mention it, inquire specifically if they have a philanthropic advisor and/or use specific mechanism for giving.)
- At what point do you rely most heavily on networks/peers? For instance, are peers most helpful when identifying grant targets or in shaping their expectations of results?
- Do you or your advisors use Charity Navigator or Guidestar? Why?
- From where we sit, there are a tremendous number of events, listservs and research and policy organizations publishing information about both philanthropy and the areas in which you give. Do you receive any of this? Do you review it?
- Which events do you attend?
- What information do you wish you had but can't seem to get? How would you prefer to get it (prompts: e-news, peer convenings, expert convenings)?
- Is there any type of information that would make you think about reallocating or redirecting your philanthropy – i.e., give to a new entity or give much more to an existing recipient?

*Using the same scale, how important is it for you to know someone (on board/from peer group) that recommends the issue/organization you are giving to?*

### Outcomes

- Next, we'd like to talk with you about social impact and how you determine whether your gifts are making a difference.
- Tell us about a recent gift in urban education (note: choose whichever area they gave the most to per earlier question). Think of a large charitable gift you have recently made. Would you walk us through your thought process, e.g., what were you hoping to achieve? What outcomes did you track?
- How did you know the gift made a difference?
- (If answer is no, could ask them to answer questions in the hypothetical. Also, ask if this is their typical approach to impact/outcomes.)
- Do you require your grantees to provide "feedback" or any sort of evaluation of the work in exchange for your grant? What do you require?
- When do you expect to see results from a gift you make?
- Are there any repeat gifts you decided against because of outcome information?
- Have you ever funded an evaluation of your gift or a program that your gift supported? Why or why not? If no, would you consider making a gift in this area?

*Using the same scale, how important is impact data to you before you make a gift? What about to make a repeat gift?*

### Role as Philanthropist

- Philanthropists come in different forms. One role of philanthropists (perhaps the most basic role) is to donate money, but many philanthropists play a host of other roles in the sectors in which they give.
- We want to talk with you about yours.
- How would you characterize your role (prompt: if need be, make clear that this is asking about other than role of check writer)?
- Do you want this role to change in any way? Why or why not? If yes, how? Do you see opportunities to make that happen?

*Using the same scale, how important is it to you and your giving that you have a role beyond that of check writer?*

### Demographic Questions

- We'd like to conclude by asking you a few demographic questions which, like all information we are collecting, will remain anonymous and only be published in aggregate.
- What year were you born?
- Where do you live?
- For how long have you considered yourself a philanthropist?
- What percent of your working time do you currently devote to philanthropy?
- What percent of your annual giving would you describe as obligatory (i.e., connected to alma mater, religious institution, community quid pro quo, etc.)?
- Which best describes the source of funds you use for your philanthropy? Business income, inherited funds, investment income, a mixture (which ones)?
- How much money do you donate annually?

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